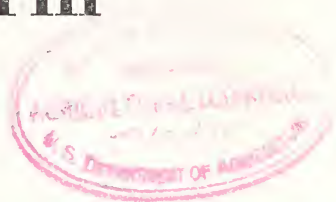


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# Problems of Farm Tenancy



This leaflet, the second in the County Planning Series to discuss farm tenancy conditions, offers a brief analysis of the problems of farm tenancy and their causes. Later leaflets in the series will discuss more specifically some of the tools now available for attacking these problems.

FARM TENANCY in many counties and States is accompanied by a wide range of problems, including low incomes, poor living conditions, family insecurity, and general lack of concern for conserving the soil. As about half of our farm land is rented, the importance of these problems is manifest.

"The growing insecurity of many classes of farm tenants, frequently associated with soil depletion and declining living standards," said President Roosevelt in 1936 when calling for a special report on farm-tenancy conditions, "presents a challenge to national action which I hope we can meet in a thoroughly constructive manner." The need, as the President pointed out, is "a long-term program of action to alleviate the shortcomings of our farm-tenancy system."

Land use planning committees, along with other farm groups, are showing an increased interest in the problems of farm tenancy, and many of them are endeavoring to work out measures to improve farm-tenure conditions.

## Soil Erosion and Loss of Soil Fertility.

Factual studies throughout the country indicate that tenancy exerts an important influence upon conservation

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Prepared by the Bureau of Agricultural Economics in cooperation with the Extension Service, United States Department of Agriculture.

through the farming systems and tillage practices commonly followed by many tenants. A recent study in western Oklahoma discloses that more erosion had occurred on tenant-operated farms than on owner-operated farms, in spite of a 19-percent greater average slope on owner-operated farms. Another study in Georgia reveals that the proportion of land damaged by severe sheet erosion on tenant-operated farms was 27 percent compared with 12 percent on owner-operated farms. In the same State, 47 percent of the cropland on tenant-operated farms was damaged by gullies as compared with 31 percent on owner-operated farms. In each instance the two groups farmed the same kinds of land.

### **Tenancy and Erosion.**

Studies in other States present similar results, indicating that considerably more erosion has occurred under usual tenant operatorships than under owner operatorship or desirable forms of tenancy. Planning committees will find it useful and informative to investigate the differences in conservation which are associated with different kinds of tenancy arrangements. Committees are in a position to find out for themselves the amount of erosion on the different kinds of tenant-operated farms, from their own observations and from the use of information in the county offices of agricultural agencies.

Why is erosion so serious on tenant farms in many areas? One of the most important reasons is that many rental agreements between landlords and tenants are vague and indefinite. The essential provisions of the agreements, stating the length of the term, the way in which the land shall be used, and the things that each party will supply, together with how the income will be divided, are left to the memory of landlord and tenant, either or both of whom may not have understood the original terms, much less remember those terms accurately for several months or years. Naturally, differences of opinion may arise later, with neither party having any evidence of the terms of the original agreement. Frequently, they argue. Neither is satisfied, and so the tenant moves and the landlord looks for a new renter.

### One-Year Leasing Agreements.

As a part of these vague oral agreements, the tenant usually agrees to farm the land for 1 year, neither party planning beyond the immediate future. But good farming is a long-time enterprise, rather than a year-to-year business; livestock production and cropping systems must be planned ahead for at least several years. The tenant must have a reasonable assurance of continued possession—a feeling of permanence—or it will be almost impossible for him to carry out effective planning and conservational operations.

The tenant is without this feeling of permanence when the leasing agreement is for only 1 year. These 1-year leases customarily start at a specific date and end automatically 12 months later. If the relation is to continue for another year, the two parties must get together and make a new agreement. Few landlords and tenants in this country make such agreements for the new year early enough to prevent serious effects on the farm family and the community.

Since the tenant has little or no assurance that he will remain on the farm more than a year he has only a short-term interest in it; that is, he is concerned almost exclusively with getting the highest returns that can be obtained from the land during the current year, regardless of the effect upon the land's future producing power. And it is not the tenant alone who suffers—the landlord and the community as a whole are hurt when a farm is operated on such a basis.

Another important cause which contributes to the problem of run-down tenant farms is the customary absence of any lease provision allowing the tenant to remove improvements and fixtures erected by him. A further cause is the absence of provisions for compensating the tenant for improvements which he makes but cannot remove, such as the application of limestone and fertilizers and the building of terraces and check-dams, wells and ponds, and open-drainage ditches. When such provisions are lacking, there is no incentive for tenants to preserve or improve the soil or to keep up farm buildings and fences.



## **Competition for Land.**

Mechanization and other technological developments have thrown hundreds of thousands of farm people out of work during recent years. At the same time, the increasing difficulty of obtaining work in the cities has at times resulted in a backing up of young people in rural areas. As a consequence, there have been many more tenants seeking farms than there were farms to rent. The consolidation of farms has aggravated the situation. These conditions have helped to create competition for land, in which tenants have bid up rentals above the level that can be paid from normal farm earnings.

Thus, many tenants have been forced to overemphasize the growing of cash crops, and to follow wasteful and exploitive systems of farming. The mining of the soil has not added to the tenants' earnings, for they have had to pay higher rentals. At the same time, landlords themselves stand to lose in the long run from the destruction of the earning power of the land.

## **Participation in Community Activities.**

Many surveys have been made to learn how much and how often tenants participate in community activities—social, recreational, educational, and religious. In most instances, these studies show that tenants do not share in community life as fully as farm owners. Churches, schools, clubs, and recreational organizations, farmers' educational and cooperative activities, local governments—these and other aspects of progressive rural community life are enjoyed and maintained to a far greater extent by farm owners than by farm tenants.

Why is this true? Do tenants have less desire for community life, for social relaxation, for educational advantages, for religious observance, than farm owners? This, assuredly, is not the case.

The frequent moving of tenants, and their lack of any assurance of continued occupancy on the same farm, reduces tenant participation in community life. Thirty-four percent of all tenants, or about a million farm families, had been on their farms less than a year when the Census was taken in

January 1935. A large proportion of the remaining tenants rented farms from year to year and approached the end of the year not knowing whether they would have to move or not.

Under such conditions, it is difficult for tenants to get acquainted with their neighbors and with community institutions, and they see little use in trying to join in the life of a community in which they are only transients.

### **Incomes and Levels of Living.**

The low incomes and poor living conditions which prevail among tenants in many sections prevent the fuller participation of tenants in community life. Often the expenses of moving and the extra cash costs for food that result from inability to plant and produce fruits, vegetables, and other home-grown foods, make it hard for tenants to pay membership dues, to contribute to the collection box, to go on picnics and barbecues, or to dress well enough to join groups in the neighborhood.

Although tenants in some parts of the country enjoy incomes as large or larger than the incomes of owner-operators, the living levels of tenant families in the Nation as a whole are generally below the living conditions of other farm families. Census information on farm-home facilities shows that 5 percent of the tenants and 19 percent of the owner-operators have electric lights; 21 percent of the tenants and 43 percent of the owner-operators have telephones; and 7 percent of the tenants and 22 percent of the owners have water piped into the home. Scattered surveys throughout the country bear out these findings.

A recent study in Iowa finds that farm tenancy has a striking relationship to rural housing conditions. This study indicates that the higher the proportion of farm tenancy, the lower is the standard of housing. Tenant-occupied houses were in about two-thirds as good condition as houses occupied by owners. Tenant houses had less than one-half the proportion of bathrooms and electricity found in owner houses. Tenant homesteads had about half the proportion of landscaping, farmstead planting, and sidewalks noted for the homesteads of owners.

Housing conditions on tenant farms are frequently unsatisfactory because the landlord, who does not live on the farm, is often interested only in current income and does not feel called upon to repair a leaky roof or a broken window. But the tenant who suffers the inconvenience of the leaks and wind hesitates to make the repairs, even if he can afford to do so, because the lease may end in a few months and the landlord or another tenant would get most of the benefit.

In many parts of the country cash incomes available for family living are lower for tenant farmers than for owners. This is true not only in the South, where the plight of sharecroppers and tenants in cotton and tobacco is well known, but elsewhere as well.

### **High Costs of Moving.**

Tenants who move must spend part of their incomes to cover the costs of moving. There is an old adage that three moves are equal to a fire, and surveys of the costs of moving tend to bear out this thought. They indicate that for the country as a whole the average cost of moving is as much as \$70 to \$75 per move to tenants and an equal amount to the landlords. This does not include other losses that cannot be measured in terms of money, such as the inconveniences suffered by tenants and landowners, and the losses to the rural community that are caused by lack of tenure stability and permanence. In money alone, however, frequent moving is a great drain upon the resources of tenants and landlords.

The compulsion to use the land for cash crops, caused by customary crop-share rents and short-time expected occupancy, means that the tenant farmer often cannot produce enough food for his family, or feed for his livestock. Then, if he plants a garden and sets out an orchard, he must leave them behind when his lease is terminated. If he prefers to grow more feed crops and less cash crops, he must frequently pay a high cash rental for the crops not customarily grown on shares, and even so, the landlord may not favor the change. As a result, the tenant finds it hard to follow a live-at-home program or to raise feed for chickens, hogs, cows, and work stock. This means that his cash outlay for food and feed



often is higher than it would be under longer term occupancy, which would assure him the benefits from long-time improvements he makes.

### **Analysis of Tenancy Conditions.**

Problems associated with farm tenancy are being studied by many State and local land use planning committees. Sometimes the committees seek ways to promote better land use in their localities in order to conserve soil resources and to prevent erosion. They discover that tenancy is an important factor in causing erosion, and this leads them to study the farm-tenancy situation. In other cases they approach the problem of farm tenancy because they are seeking ways to improve farm incomes, or to improve housing conditions, or to encourage fuller participation in community life.

Careful study of local tenancy conditions is necessary for most planning committees before they arrive at conclusions about specific measures needed to obtain tenancy improvements. These studies may show, for example, that some forms of tenancy have definite advantages for the tenants, and provide adequate protection for land resources. Tenants who have long-term leases at reasonable rentals may be found to enjoy a better living than they would if they were buying their farms and had to meet mortgage and interest payments, because their net incomes are higher than would be the case if these charges had to be met. Study of constructive forms of tenancy will frequently suggest ways for improving undesirable forms.

### **Tenancy Subcommittees.**

The interest of land-planning committees in farm-tenure improvements is being shown in a variety of ways. In some areas where farm tenancy is a major problem, planning committees have established subcommittees on farm tenancy. These subcommittees usually consist of several members of the planning committee and include a number of official workers who have given special attention to tenancy problems. It has been found that the farm-tenancy subcommittees are able to give fuller attention to these problems

than would be possible for the full committee, which has to deal with a number of other questions, but the full committee, of course, reviews the work of the subcommittee. In areas where tenancy is a major factor, planning committees may wish to consider the advisability of establishing farm-tenancy subcommittees.

Planning committees have done much work on tenancy problems. Significant improvements in tenancy conditions are occurring in some areas already, partly as result of the studies and recommendations of these groups. For example, some committees have proposed and aided in furthering new State legislation to lengthen the term of leases and to provide compensation to tenants for improvements made on farms. Other committees have begun efforts to establish county arbitration boards to enable landlords and tenants to iron out misunderstandings and differences in a friendly way, at small expense. Many thousands of landlords and tenants are now using written leases in preference to oral agreements. Many additional measures of improvement are being instituted. Some of these are discussed in the succeeding leaflets in this series.

Previous publications in this Series:

- No. 1—County Land Use Planning.
- No. 2—Membership of Land Use Planning Committees.
- No. 3—The Land Use Planning Organization.
- No. 4—The Scope of Land Use Planning.
- No. 5—Pooling Ideas in Land Use Planning.
- No. 6—Communities and Neighborhoods in Land Use Planning.
- No. 7—Rural Zoning and Land Use Planning.
- No. 8—Planning Committees Cooperate with Local Governments.
- No. 9—Farm Tenancy.